

## Message Text

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43

ACTION NEA-16

INFO OCT-01 ISO-00 EB-11 AID-20 AGR-20 COME-00 SS-20 NSC-07

SP-03 CIAE-00 INR-10 NSAE-00 RSC-01 L-03 DRC-01 /113 W

----- 120737

R 111023Z MAY 74

FM AMEMBASSY BEIRUT

TO SECSTATE WASHDC 7789

C O N F I D E N T I A L BEIRUT 5408

EO 11652: GDS

TAGS: EAID, LE

SUBJECT: PL 480 TITLE I PROJECTIONS FY 1975

1. SUMMARY: THE EMBASSY DOES NOT ANTICIPATE LEBANON WILL QUALIFY FOR TITLE I COMMODITIES DURING FY 1975 BECAUSE OF A FAVORABLE BALANCE OF PAYMENTS SITUATION AND INADEQUATE OFFICIAL PERFORMANCE IN IMPLEMENTING AGRICULTURAL SELF-HELP ACTIVITIES AND DEVELOPMENT PROGRAMS.

2. THE GOL HAS NOT FORMALLY REQUESTED TITLE I COMMODITIES FOR SHIPMENT DURING FY 1975. SUSPENSION OF NEGOTIATIONS IN AUGUST 1973 ON THE PROPOSED 3RD AGREEMENT PROVIDING FOR FY 1974 SHIPMENTS MAY HAVE DISCOURAGED A NEW GOL APPROACH. FURTHERMORE, THE EMBASSY HAS NOT ENCOURAGED THE GOL TO SUBMIT A NEW REQUEST IN LIGHT EXPERIENCE WITH LAST YEAR'S NEGOTIATIONS AND THE APPARENT CONTINUED TIGHT TITLE I BUDGET AND COMMODITY AVAILABILITIES. INDIVIDUAL GOL OFFICIALS HAVE MADE NO SECRETS ABOUT DESIRE TO RECEIVE USG ASSISTANCE UNDER TITLE I. EMBASSY CANNOT JUSTIFY CONTINUED TITLE I ASSISTANCE ON ECONOMIC GROUNDS ALONE AS GOL HAS A FAVORABLE BALANCE OF PAYMENTS AND IS MAINTAINING UNCHANGED BASIC FOODSTUFF PRICES FOR FLOUR AND SUGAR IN SPITE OF HIGH IMPORT PRICES WHICH HAVE NECESSITATED EXTREMELY LARGE GOL SUBSIDIES TO MAKE UP DIFFERENCE. THE LATTER APPEARS AT THE EXPENSE RELEASING FUNDS FOR DEVELOPMENT PROGRAMS, ALTHOUGH IT CANNOT BE PROVED BY EXAMINING THE GOL BUDGET.

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3. GOL POLICY OF LUMPING FOREIGN ASSISTANCE GENERATED LOCAL

CURRENCY PROCEEDS SUCH AS TITLE I INTO SINGLE POT FOR DEVELOPMENT PROGRAMS, AND A TIGHT CONTROL OVER THEIR USAGE, APPEARS TO HAVE IMPEDED USE OF THESE FUNDS FOR SPECIFIC PROGRAMS. ALTHOUGH THERE IS NO APPARENT LACK OF FUNDS, PROGRESS APPEARS VERY SLOW UNDER LEBANON'S SIX-YEAR DEVELOPMENT PLAN WHICH WAS ORIGINALLY ANNOUNCED IN EARLY 1972, PARTICULARLY IN THE AGRICULTURAL SECTOR INCLUDING THE IRRIGATION PROJECTS. LACK OF PROGRESS SEEMS TO ARISE BECAUSE OF GOL ATTENTION TO MORE PRESSING SHORT RUN PROBLEMS SUCH AS INFLATION AND THE INABILITY TO RESOLVE REGIONAL AND POLITICAL CONFLICTS OF INTEREST. WE ARE PRESSING THE GOL ON IT.  
GODLEY

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLICIES, PL 480 TITLE 1, FOOD ASSISTANCE, CENTRAL GOVERNMENT  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 11 MAY 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GarlanWA  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
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**To:** STATE  
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